

PROJECT SUCCESS
of the
NAZARENE MISSIONARY BAPTIST CHURCH

**ANNUAL
FINANCIAL
REPORT**

For the Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

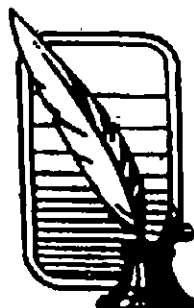
Release Date 4/21/10

**PROJECT SUCCESS
ALEXANDRIA, LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Project Success
Alexandria, Louisiana

I have audited the accompanying Statement of financial Position of the Project Success program of Nazarene Missionary Baptist Church (a non-profit organization), as of June 30, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of organization's management. My responsibility is to express opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Project Success program of the Nazarene Missionary Baptist Church as of June 30, 2009, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 3, 2010, on my consideration of the Project Success's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the financial statements of Project Success program of the Nazarene Missionary Baptist Church taken as a whole.. The schedule of functional expenses is presented for purposes of additional analysis is not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read 'B. Debevec', with a stylized flourish extending from the bottom.

Billy Debevec, CPA
Alexandria, Louisiana
March 3, 2010

PROJECT SUCCESS
Alexandria, Louisiana

STATEMENT OF FINANCIAL POSITION
June 30, 2009

ASSETS

Cash	\$ 1,543
Grant Receivable From State of La.	<u>14,355</u>
Total Assets	<u>\$ 15,898</u>

**LIABILITIES AND
NET ASSETS**

Liabilities:

Accounts Payable	\$ 1,655
Due to Church General Fund	<u>14,243</u>
Total Liabilities	<u>15,898</u>

Net Assets:

Unrestricted	0
Temporarily Restricted	<u>0</u>

Total Net Assets	<u>0</u>
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Total Liabilities and Net Assets	<u>\$ 15,898</u>
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The Accompanying Notes Are An Integral Part Of This Statement.

PROJECT SUCCESS
Alexandria, Louisiana

STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Government grants		\$ 112,881	\$ 112,881
Miscellaneous	\$ 60		60
Net assets released from restrictions	<u>112,881</u>	<u>(112,881)</u>	
Total Support & Revenue	112,941	0	112,941
EXPENSES			
Project Success Program	112,881		112,881
Other Support Services	<u>2,604</u>		<u>2,604</u>
Total Expenses	<u>115,485</u>		<u>115,485</u>
INCREASE (DECREASE) IN NET ASSETS	(2,544)	0	(2,544)
NET ASSETS, BEGINNING OF PERIOD	<u>2,544</u>	<u>0</u>	<u>2,544</u>
NET ASSETS, END OF PERIOD	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The Accompanying Notes Are An Integral Part Of This Statement.

PROJECT SUCCESS
Alexandria, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

**CASH FLOWS FROM
OPERATING ACTIVITIES**

Increase (Decrease) in
Net Assets \$ 0
Adjustments to Reconcile
(Increase) Decrease in
Net Assets to Net Cash
Provided by Operations

(Increase)Decrease
in Operating Assets:
Accounts Receivables (11,812)

Increase (Decrease)in
Operating Liabilities:
Accounts Payable 1,655
Net Cash from Operating Activities (10,157)

**CASH FLOWS FROM
INVESTING ACTIVITIES**

Net Cash Flows from Investing Activities 0

**CASH FLOWS FROM
FINANCING ACTIVITY**

Church loans 11,700
Net Cash Flows from Financing Activity 11,700

**NET INCREASE (DECREASE) IN
CASH AND CASH EQUIVALENTS 1,543**

**CASH AND CASH EQUIVALENTS
AT BEGINNING OF PERIOD 0**

**CASH AND CASH EQUIVALENTS
AT END OF PERIOD \$ 1,543**

Cash paid during year for interest \$ 0

The Accompanying Notes Are An Integral Part Of This Statement.

PROJECT SUCCESS
Alexandria, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) ORGANIZATION

The Project Success program of the Nazarene Missionary Baptist Church of Alexandria, Louisiana (hereafter referred to as the Organization) was established to provide a prevention program for youths between the age of 8 and 15. Groups will be held at nine different sites in the community and school based services at Alma Redwine Elementary, Horseshoe Elementary, Arthur F. Smith Middle School, Hadnot Elementary, Martin Park Elementary, Acadian Elementary, Mary Goff Elementary, Huddle Elementary and Peabody Montessori Elementary. The prevention program's mission is family focused, evidence based and outcome driven while maintaining a cost effective delivery system.

(B) BASIS OF ACCOUNTING

The financial statements of the **Organization** have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions. As a result, actual results could differ from these estimates.

(C) INCOME TAX

Under Section 501(c) of the Internal Revenue Code, the organization is exempt from federal income taxes, therefore, no provision for such taxes has been made. The organization is classified for tax purposes as an other than private foundation.

(D) SUPPORT

All support is considered to be available and unrestricted unless grant regulations contain legal requirements and restrictions. The Temporarily restricted grant support for fiscal year ended June 30, 2009, was received from the State of Louisiana on a cost reimbursement basis.

PROJECT SUCCESS
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009
(continued)

(E) FINANCIAL STATEMENT PRESENTATION

The **Organization** adopted Statement of Financial Accounting Standards (SFAS) No. 117, "financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the **Organization** is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the **Organization** is required to present a statement of cash flows. As permitted by this new statement, the **Organization**, has discontinued its use of presenting financial statements by fund and has, accordingly reclassified its financial statements to present the three classes of net assets required.

(F) Budget Policy:

Budgets are prepared by The organization's Director and approved by the grantor of the funds. Budgets are prepared on a basis consistent with generally accepted accounting principles.

(G) PROPERTY AND EQUIPMENT

Property and Equipment will be recorded at cost for purchased assets or at fair market value on the date of any donation. After the purchase of equipment, depreciation will be provided in the Financial Statements over the estimated useful lives of the depreciable assets on the straight line basis. The following estimated useful lives will generally be used:

Furniture and Equipment 5 - 7 years

(H) CASH AND CASH EQUIVALENTS

For the purpose of Financial Statements, the organization considers all demand deposits and time deposits with an initial maturity of three months or less to be cash equivalents.

PROJECT SUCCESS
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009
(continued)

NOTE 2 FUNDING POLICIES AND SOURCES OF FUNDS

The organization receives its monies on a contract basis. Under this method, funds are received on a cost reimbursement basis from the State of Louisiana Department of Health and Hospitals.

PROJECT SUCCESS, also receives donations from the general public.

NOTE 3 FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and other supporting services.

NOTE 4 GRANTS RECEIVABLE FROM THE STATE OF LA.

Contracts receivable at June 30, 2009, consist of reimbursements for expenses incurred under contracts with the State of Louisiana which were remitted subsequent to year end. These amounts by Grant are as follows:

Project Success Program	\$ 14,355
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NOTE 5 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any members.

PROJECT SUCCESS
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009
(continued)

NOTE 6 CASH

As of June 30, 2009, cash held by PROJECT SUCCESS, was secured in full by FDIC (Federal Depositors Insurance Corporation) Insurance at the institution where deposited. Cash and cash equivalents at June 30, 2009 are as follows:

Non Interest Bearing Checking account	\$1,543
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NOTE 7 ECONOMIC DEPENDENCY

PROJECT SUCCESS receives the majority of its revenue from funds provided through contracts administered by the Louisiana Department of Health and Hospitals. The contract amounts are appropriated each year by the State government. If significant budget cuts are made at the State level, the amount of funds PROJECT SUCCESS receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds PROJECT SUCCESS will receive in the next fiscal year.

NOTE 8 CONTINGENCIES

PROJECT SUCCESS evaluates contingencies based upon the best available evidence. The **Organization** believes that no allowance for loss contingencies is considered necessary. However, the following matters should be considered.

Funding

Amounts received from grantor agencies are subject to audit and adjustment by the agency. Any disallowed cost, including amounts already collected may constitute a liability. The amount, if any, which may be disallowed cannot be determined at this time although the **Organization** expects such amounts to be insignificant.

PROJECT SUCCESS
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009
(continued)

NOTE 9 OPERATING LEASES

Facilities

The **Organization** provides part of the program services in facilities located in Alexandria. The facility is provided by the City of Alexandria and the La. Dept. of Health and Hospitals at no cost. Accordingly, no amounts have been recorded in the financial statements. All leases are month to month operating leases which are renewable by written notice.

Copier

The office copier is leased for \$74. Per month.

The future minimum lease payments for this lease is as follows:

<u>Year Ending June 30.</u>	<u>Amount</u>
2010	<u>\$ 888</u>
Total	<u>\$ 888</u>

NOTE 10 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions by incurring expenses which satisfy the intended restricted purpose or occurrence of other events which satisfy the grant requirements. There were no permanently restricted net assets, temporarily restricted net assets or unrestricted net assets at June 30, 2009.

**PROJECT SUCCESS
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Project Success</u>
PERSONAL SERVICES	\$ 78,046
RELATED BENEFITS	11,926
TRAVEL	4,123
OPERATING SERVICES	5,036
SUPPLIES	5,976
PROFESSIONAL SERVICES	7,774
OTHER SUPPORT SERVICES	<u>2,604</u>
TOTAL	<u>\$ 115,485</u>

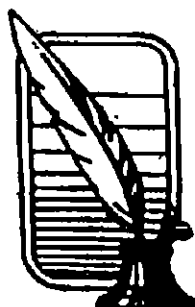
SEE INDEPENDENT AUDITOR'S REPORT

**PROJECT SUCCESS
ALEXANDRIA, LOUISIANA**

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain the report on internal control structure and compliance with laws and regulations required by Government Auditing Standards issued by the Comptroller General of the United States. The paragraph on internal control structure is based solely on the audit of the general purpose financial statements and includes where appropriate, any significant deficiencies and/or material weaknesses. The paragraph on compliance with laws and regulations is, likewise, based solely on the audit of the general purpose financial statements and presents, where applicable, compliance matters that would be material to the general purpose financial statements.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

THE BOARD OF DIRECTORS
PROJECT SUCCESS
ALEXANDRIA, LA.

I have audited the financial statements of the Project Success program of the Nazarene Missionary Baptist Church (a nonprofit organization), as of and for the year ended June 30, 2009, and have issued my report thereon dated March 10, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Project Success's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Project Success's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Project Success's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Project Success's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Project Success's financial statements that is more than inconsequential will not be prevented or detected by the Project Success's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Project Success's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Project Success's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs at item 09-1. The organizations response to the finding in my audit is described in the accompanying schedule of findings and questioned costs. We did not audit the organizations response and, accordingly, we express no opinion on it.

This report is intended for the information of the Project Success' Management, Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,



Billy Debevec, CPA
Alexandria, Louisiana
March 10, 2010

PROJECT SUCCESS
Alexandria, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Planned Corrective Corrective Action Taken (Yes, No, Partially)</u>	<u>Action/ Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
<u> </u>	<u> </u>	<u>None</u>	<u> </u>	<u> </u>	<u> </u>
		<u> </u>		<u> </u>	
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**PROJECT SUCCESS
Alexandria, Louisiana**

**Corrective Action Plan for Current Year Audit
Findings For the Year Ended June 30, 2009**

Ref. No.*	Description of Finding	Corrective Action Planned	Person(s)**	Completion Date
09-1	The organization did not complete a financial audit within six months. This is a violation a state law.	We will engage the auditor before year end to ensure a timely delivery of our Financial audit.	Ms. Bertha Smith. Director	March 3, 2010

PROJECT SUCCESS
Alexandria, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009

We have audited the financial statements of the Project Success program of the Nazarene Missionary Baptist church as of June 30, 2009 and have issued our report thereon dated March 3, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of and for the year ended June 30, 2009 resulted in an unqualified opinion.

Section I-Summary of Auditors' Reports

a. **Report on Internal Control and Compliance Material to the Financial Statements**

Internal control

Material Weaknesses ___ Yes ✓ No Significant Deficiencies ___ Yes ✓ No

Compliance

Non Compliance Material to Financial Statements ✓ Yes ___ No

Section II-Financial Statement Findings

None

**Project Success
Alexandria, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009**

Section III-Findings and Questioned Costs

09-1 Audit Law Violation

Condition:	The organization did not complete a financial statement audit within six months after the close of the fiscal year.
Criteria:	The organization is required to complete a financial statement audit and submit the report to the State Legislative Auditor's office within six months of the close of the fiscal year..
Effect:	The organization could have funding cut or eliminated from the state of Louisiana.
Questioned Costs:	None.
Recommendation:	The organization should contract to have an audit performed before the fiscal year ends.